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**August 23, 1996**

**RECEIVED**

**AUG 23 1996**

**Mr. William F. Caton , Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N. W.  
Washington, D. C. 20554**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY**

**DOCKET FILE COPY ORIGINAL**

**Re: Comments of Voice-Tel in Response to the Notice of  
Inquiry relating to the Identification and Elimination of  
Market Entry Barriers for Small Businesses, CC Docket  
No. 96-113**

**Dear Mr. Caton:**

**Enclosed for filing with the Commission, on behalf of Voice-Tel are an original  
and eleven copies of its Comments in the above-captioned docket.**

**Please date-stamp the extra copy of this letter that has been enclosed for this  
purpose and return it in the self-addressed envelope that has been provided.**

**If you have any questions with respect to this matter please do not hesitate to  
call the undersigned.**

**Sincerely,**

*Ruth S. Baker-Battist*  
**Ruth S. Baker-Battist  
Counsel for Voice-Tel**

**Enclosures**

No. of Copies rec'd 0+11  
List A B C D E

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of

Section 257 Proceeding to  
Identify and Eliminate  
Market Entry Barriers  
for Small Businesses

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CC Docket No. 96-113

COMMENTS OF VOICE-TEL  
IN RESPONSE TO  
NOTICE OF INQUIRY

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## SUMMARY

As discussed below, these comments are being filed by Voice-Tel franchisees and the franchiser including franchiser owned and operated service centers (Voice-Tel), the provider of a full range of voice messaging services. Voice-Tel has experienced significant difficulties in establishing and maintaining its business presence in communities throughout the country, in large part because of the wide-spread perception that the services that it offers are telephone company services that only a local exchange company can provide. Even where the community recognizes that the local exchange company does not have a monopoly on voice messaging, the general understanding (or misunderstanding) is that the local company has such a distinct advantage that anyone attempting to compete with it at the level of voice messaging is almost doomed to failure.

In addition to public perception, Voice-Tel does suffer from the barriers established by the local telephone companies. In the case of voice messaging, the telephone companies appear to have arrogated this business unto themselves. Descriptions of their voice messaging services appear as simple options in their advertising, their billing and even their telephone directories.

The local telephone company also uses its unique position to create barriers and difficulties in the manner in which they price the services that their competitors must purchase from them, in the way in which they handle orders from competitors, and in the treatment of Voice-Tel customers, which customers are also customers of the exchange company. In addition, the long-time establishment of the local telephone company and its presence throughout the community makes it difficult for its competitors to find welcome in the general business community, including most particularly banks and other financial institutions upon which competitors must rely for

financing. Simply put, all incumbent LECs have market power in the area in which they operate. All incumbent LECs have the ability to use their market power improperly to create barriers and to gain unfair advantages over their rivals.

Because small telecommunications entities are comparatively new in the marketplace, all too often the regulatory agencies responsible for overseeing the operations of telecommunications have not, as yet, developed separate offices or processes that are designed to assist the smaller entities in resolving the regulatory problems that they have with the incumbent telephone companies. This creates an additional barrier to the development of competition in the area and to this extent, inhibits the availability of options to the general public.

It is hoped that the information provided herein will assist the Commission in devising policies, procedures and rules that will further the aims of the Telecommunications Act of 1996 and expand the opportunities and the benefits of telecommunications in the coming years.

**RECEIVED**

**AUG 23 1996**

Before the  
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CC Docket No. 96-113

**COMMENTS OF VOICE-TEL  
IN RESPONSE TO  
NOTICE OF INQUIRY**

Two hundred fifteen individually owned and operated small business communications consultants representing 715 employment positions doing business under the common name Voice Tel, through their attorney, hereby files comments in the above-captioned docket. These comments do not pretend to cover every item upon which comment was invited by the Commission. Rather, the comments contained herein provide information relating to the experiences of Voice-Tel that are relevant to the Commission's efforts to identify and eliminate market entry barriers in the provision and ownership of telecommunications services and information services and in the provisions of services to providers of telecommunications services and information services. As discussed further below, Voice-Tel has experienced significant difficulties in providing its customers a full range of voice messaging services including paging services and long distance services associated with voice messaging.

## **I. INTRODUCTION**

### **A. Description of Services Provided by Voice-Tel**

Voice-Tel provides sophisticated voice messaging services that, among other things allows their customers (1) to respond to messages from other Voice-Tel customers, (2) to receive a message when they choose not to answer the telephone or when the called line is busy, (3) to respond to messages from other Voice-Tel customers without leaving the "mail box," (4) to pass messages on to other Voice-Tel customers, with or without comment, (5) to send a message to multiple Voice-Tel customers with one call, and (6) to be notified immediately when urgent messages await them. Voice-Tel also acts as a consultant in the provision of telecommunications services, and provides paging and long distance telecommunications services to its customers. All of this can be accomplished using the equipment owned and operated by Voice-Tel so that customers need not make any investment in equipment. Calls to other the mailboxes of other Voice-Tel customers may be made through the Voice-Tel network so that no separate telco charges are incurred. The Voice-Tel network serves over 3500 cities and communities throughout the United States, Canada and Puerto Rico. The major markets for the particular features offered by Voice-Tel are small to medium size businesses, especially those that have frequent telephone contact with their customers and professionals who rely on the telephone to keep in contact with their clients.

Several of the features offered by Voice-Tel are not generally available to customers of other voice messaging services. At the same time, there is substantial

competition with the local exchange carriers (hereinafter "LECs" or "telcos") operating in the areas serviced by Voice-Tel. Some of this competition is similar to that faced from other competitors, but because of the unique position that the LEC has as the exclusive provider of basic service, the competition from the LECs is both more severe and broader in scope. This competitive advantage is exacerbated by the fact that the LEC currently is the sole provider of Voice-Tel access to the telephone network.

**B. Structure of Voice-Tel**

Voice-Tel franchisees come in all business forms and in a variety of sizes. At the low end, the franchise may be a single proprietorship with as few as three employees. At the other end, there are corporate franchisees that employ in excess of fifteen persons on a full time basis. In many cases, the franchise operates in a single community but the high costs of operation are leading more and more franchisees to expand the geographic area that they serve.

In most instances each Voice-Tel franchisee employs at least one technician, most of whose time is spent interfacing with the LEC in attempting to iron out the constant difficulties caused by the LECs unwillingness or inability to provide smooth interconnections between the LEC facilities and the telecommunications services provided by Voice-Tel.

**C. Interaction with the Local Exchange Companies**

Voice-Tel's business activities rely extensively on the services and facilities provided by the local exchange companies. Although, in the future, competitive local service providers may be able to provide alternative services, at the present time the telephone lines required to connect the Voice-Tel computer to the network must be obtained from the LEC. Most Voice-Tel franchisees obtain T-1s and DID trunks to provide this service. In addition, Voice-Tel must obtain telephone numbers that can be assigned to their customers. These must be obtained from the LEC.



In virtually all situations, Voice-Tel's customers purchase paging services in connection with the voice messaging services. The paging services are obtained either from the paging affiliate of the LEC or from an independent paging company.

Frequently, Voice-Tel arranges for its customers to obtain either Centrex or Centron services as part of the general installation. When either of these services are required, Voice-Tel must arrange to obtain them from the LEC.

Whenever a new customer desires service or an existing customer wishes to expand or change its service, the customer or Voice-Tel must inform the LEC of the change in service. This alerts the LEC to the fact that the customer is purchasing a service from a competitor.

The LEC is aware of every step that Voice-Tel takes to obtain and service Voice-Tel customers. It knows how many lines a customer requires and how many pagers it needs for its employees. As a result, the knowledge that the LEC has relating to Voice-Tel customers and potential customers is virtually as complete as the information available to Voice-Tel itself.

In summary, the unique position of the LEC permits it (1) to preempt normal competition in the offering of voice messaging services (by being the first point of contact for persons wanting new or additional telephone service), (2) to counter-offer in most cases where Voice-Tel has been selected as the provider of voice messaging services (when the customer asks for feature changes, etc. to initiate the Voice-Tel service), and (3) to take advantage of planned LEC innovations before the information is generally known. Because the LEC offers voice messaging directly and not through an affiliate, all information the LEC obtains can be immediately made available to its own personnel handling or selling voice messaging services. In addition, working with other LEC employees, the voice messaging operation can and does devise means of

interconnection with the basic telephone network that enables it to offer services and features at costs that are unavailable to its non-LEC competitors.

Although there is a wide variation in the size of the different franchisees, virtually all providers of voice messaging services suffer from difficulties in dealing with their major supplier, the local telephone company (LEC or Telco). These difficulties are endemic and almost impossible to resolve in the current climate. It is hoped that, with the passage of the Telecommunications Act of 1996, the Commission will be able to enhance the current environment to encourage competition while protecting the traditional telecommunications customer.

## **II. BARRIERS AND DIFFICULTIES**

Virtually all Voice-Tel franchisees have experienced special difficulties in establishing themselves as credible businesses in their local communities. The barriers to entry take two basic forms. First, there are significant problems in obtaining in a timely and cost-effective manner the telephone services required to provide Voice-Tel services. Second, banks and other potential backers are reluctant to provide financing to small, would-be competitors of the LEC. Banks and other lending institutions recognize the uphill battle that competitors of the incumbent LECs face. As a result, Voice-Tel franchisees and other similarly situated LEC competitors are viewed as having a small chance of success.

### **A. Barriers Caused by the Behavior of Local Exchange Carriers**

A survey of Voice-Tel franchisees revealed that virtually every franchisee has experienced and continues to experience questionable treatment at the hands of the LEC operating in its service area. Treatment raising significant issues include (1) high initial deposit requirements, (2) refusal to accord Voice-Tel franchisees resale status,

(3) unexplained service cut-off, (4) incorrect assignment of Nxx's, (5) failure to process orders on a timely basis, (6) assuring Voice-Tel that service is up and running when it is not, (7) Improper installation or failure to install service, and (8) disparaging Voice-Tel service.

#### **1. Resale Problems**

One of the major difficulties faced by Voice-Tel is the fact that, as a general rule, the LECs have been slow to acknowledge that Voice-Tel is anything more than an old-fashioned, cottage industry, answering service. As a result, requests that it be treated as a telecommunications provider have been largely ignored. Moreover, when the request is heard, the normal response is to ask for additional information that is proprietary to Voice-Tel, including the extent of its business, customer names and the way in which they use the services provided by Voice-Tel and its anticipated growth. This information may or may not be necessary to process resale orders. Without doubt, however, this information is useful to a competitor, which is what the LEC is. Plainly put, it often appears that the response to a legitimate order placed by Voice-Tel with the LEC results in an attempt to obtain information that the LEC can use in its competition with Voice-Tel.

Even after the information is provided, the LEC often uses all its efforts to avoid providing resale services. Often, the LEC flatly refuses to recognize that Voice-Tel is reselling long distance services or paging services and thus refuses to provide the necessary interconnections at rates and conditions that are available to telecommunications resellers. This puts Voice-Tel at a distinct disadvantage in its competitive efforts. LECs can, as a result, often offer their competing voice messaging services at rates that are lower than the rates that they charge Voice-Tel for the interconnection. At times, it seems as if the LEC has the attitudes that were prevalent

before divestiture when it comes to understanding the competitive nature of voice messaging services.

Where the LEC operates a paging service, it often acts directly to prevent fair access to its competitors. For example, where the LEC owns a paging license it rarely permits its competitors to resell its services. In Minnesota, for example, US West has refused to let Voice-Tel become its agent unless it guarantees a minimum yearly volume of \$500,000. This artificially high minimum guarantee limits the number of authorized agents in any geographic area and provides a means of limiting any competition. services

## **2. Unexplained Service Problems**

Virtually every Voice-Tel franchisee has experienced and continues to experience a plethora of LEC service problems. Although there is no hard evidence that these problems are based on intentional acts by LEC personnel, it is sometimes almost impossible to believe that the same company that is able to serve its own customers effectively can experience frequent, significant service problems for Voice-Tel.

### **a. Incorrect Assignment of NXXs**

In order to provide service, Voice-Tel must assign a telephone number to each customer. The Voice-Tel customer uses that number to reach his mail box. The number is also used when another Voice-Tel customer wants to broadcast a voice message or send an individual voice message to another Voice-Tel customer while he is connected to his own mail box. Additionally, the number is used when a customer is paged. As a result, the NXX assigned to the customer is frequently noted on business cards and in advertisements. Improper assignments that result in failure to reach the customer can be costly and call into question the reliability of the Voice-Tel systems.

When Voice-Tel orders a new range of numbers the telephone company frequently assigns new NXXs. This, in turn, requires the LEC to update the translation tables. In the US West region, for example, this update requires a 105 day lead time and results in a delay in the furnishing of service by Voice-Tel. All too frequently, even after the lead time has past and Voice-Tel is given the green light to assign the new numbers, the translation tables have not, in fact, been updated. As a result, Voice-Tel customers are unable to access their mailboxes. Although the problem is caused by the LEC, the Voice-Tel customer often blames Voice-Tel.

As an example, a Voice-Tel franchisee in US West territory ordered a new range of numbers in August 1995. These numbers became operational in late November and on November 30, Voice-Tel tested a number to make sure that US West had done what it promised. Nevertheless, when Voice-Tel initiated service to five customers representing seventy-five users in early December, three of the five customers were unable to dial into their new service. US West insisted that the problem was a result of the customers' telephone system's failure to recognize the new NXX. Each customer then had technicians review the operation of their telephone systems. Each concluded that the fault lay with US West and its sister company US West Cellular. It took three days to convince US West that it should review its translation tables. And, even after US West recognized that its translation tables had, indeed, not been updated, it was not until later in the week that US West Cellular took the steps necessary to enable its facilities to recognize the new numbers. The result was disgruntled customers and loss of revenue. This type of event is not uncommon.

Similarly, in North Carolina, the Voice-Tel franchisee was provided with telephone numbers that had been reserved for internal use. As a result, the numbers did not work. Complaints to the telephone company were of no avail and Voice-Tel

was informed that the problem lay with it. It was only when LEC officials visited the Voice-Tel office and attempted to reach the numbers from the Voice-Tel location that the LEC acknowledged that the NXX was not included in the table of exchanges assigned to the North Carolina community. Because Voice-Tel is primarily a competitor, albeit a small one, there is no incentive to provide adequate service.

**b. Failure to Process Orders on a Timely Basis**

Trunks and trunk groups are ordered by Voice-Tel. LECs are notorious for requiring significant lead time, often in excess of three months and then missing the date. When this happens, Voice-Tel lacks sufficient capacity to provide its service in an efficient, effective manner. Frequently this happens where the order is placed on behalf of a customer. When this happens, it regularly appears that Voice-Tel rather than the LEC is unable to service its customer.

There are numerous examples of LEC failure to enter orders for facilities and services required to initiate or expand voice messaging services provided by Voice-Tel. In US West territory, for example, variable call forwarding was ordered and was due to be installed on May 5, 1995. The customer was unable to use the service and it was only after several days that US West reviewed its orders and determined that the order had never been entered. In another instance during that same month, an order for the installation of new trunks was made. Installation was scheduled for May 24, 1995. The order was then pushed back a day when US West informed Voice-Tel that they could not meet the promised date. When the trunks were presumably installed on May 25, the US West installer assured Voice-Tel that the trunks were clear but that he saw no "wink" from the Voice-Tel equipment. Only after the Voice-Tel technician investigated further and asked US West to check the installation, did US West confirm that that the

wiring in the Central Office had not been installed properly. Although this situation was corrected, it cost Voice-Tel damage to its revenue stream and its reputation.

Although LECs provide special assemblies to their customers as a matter of course in order to keep their customers happy and in the community, most Voice-Tel franchisees are refused any services or facilities that require special assemblies. This means that many areas of business that Voice-Tel should be able to obtain are closed off to them. In the few instances where a LEC has agreed to accept an order for a special assembly, it is not unusual to wait in excess of eighteen months to obtain the required facilities. Even during the days of monopoly where the Bell System openly took steps to prevent competition, eighteen months for a special assembly was the outside limit. The competitive markets are disserved by this type of anti-competitive behavior.

**c. Misstatements with Respect to Availability of Service**

A most embarrassing situation is where a customer has decided to switch to Voice-Tel from the LEC. In almost half these cases, the LEC claims that it has removed its voice mail service where it has not. As a result, the customer becomes frustrated as he attempts to use the service in the manner prescribed by Voice-Tel.

**d. Disparaging Voice-Tel Service**

Finally, LECs are notorious for blaming all service problems on Voice-Tel and using the occasion to solicit the voice messaging business for itself. Yet all too often, the problem lies with the LEC. Time and time again trunks have been taken out of service without explanation, customers are informed that variable call forwarding is not working because of problems with the Voice-Tel service, and orders are not processed or processed improperly.

Moreover, because Voice-Tel or the customer must deal with the telephone company in order to install Voice-Tel service, the LEC has the opportunity to solicit business. As recently as August 21<sup>st</sup> an attempt was made to transfer the voice messaging service to Voice-Tel in suburban Maryland. At first, the customer representative explained that if the customer wanted to switch to a service that would answer her calls, only regular call forwarding was necessary. When it was explained that the calls would go automatically to a voice mail box similar to that provided by Bell Atlantic, the customer was informed that the new provider would have to provide the call forwarding. At each step, the customer service representative urged the customer to retain the current service and mumbled something about not knowing how another company could provide the service adequately. Several times the customer service representative stated that the best the telephone company could do was to cancel Bell Atlantic's voice messaging services. It was only through persistence, that the customer representative finally admitted that fixed call forwarding was available and that this feature would permit calls to be forwarded to the Voice-Tel mail box whenever the primary telephone was busy or did not answer. At this time Bell Atlantic first informed the customer that of the \$6.50 monthly charge for the mail box, \$2.00 was for fixed call forwarding and that the \$2.00 charge would continue. Although it is certainly proper for Bell Atlantic to charge for fixed call forwarding, the cost disparity between the \$4.50 Bell Atlantic charges customers for its voice messaging services and the amount it charges Voice-Tel for trunks and numbers raises significant questions concerning the basis for the disparity.

### **3. High Initial Deposit Requirements**

A troubling aspect of the current situation is the inhibiting effect of high initial deposits that the LECs require from Voice-Tel as a condition of entering into business.



It is not unreasonable for the LEC to require a deposit from a new customer. And it is reasonable that the LEC should ask for an amount that will assure that other ratepayers will not be forced to subsidize the new customer. But, at the same time, the level of the deposit is often higher than might be charged another company in the same position. Whether this is because the number of lines and trunks ordered by Voice-Tel is unusually high based on its size or because the LEC wishes to inhibit competition cannot be known. But the effect is known and the effect is inhibiting.

Moreover, in establishing the deposit requirement the LEC requests and obtains information regarding the business plans of Voice-Tel. This provides a significant competitive advantage to the LEC.

#### **4. Access to the Customer**

Another enormous barrier to entry and expansion is the access that the LEC has to the customer. This access is present in several forms. First, the LEC currently enjoys a virtual monopoly in the provision of local service. Because all customers must have local service, all Voice-Tel customers are also LEC customers. This means that the LEC is informed of all changes and is in a position to react to changes that imply that the customer is using the services of a LEC competitor. Under these circumstances, a LEC can and does solicit customers for its competitive services.

In addition, most LECs include information about their voice messaging services in the telephone directories that contain the telephone numbers of their subscribers. In Colorado, for example, the white pages contain "information" about the voice messaging services of US West implying that US West is the sole provider of voice messaging services. Although this is clearly an advertisement, it is not treated as such. Similarly, the white pages of the District of Columbia directory provides

information about Bell Atlantic's AnswerCall<sup>1</sup>. The implication is that only Bell Atlantic provides this type of service. See Attachment 1.

#### 5. Unexplained Service Interruptions

In an inordinate number of cases , in a single Bell South community over sixty times in 1996, incoming trunk lines have been "busied out" and "locked out" apparently without the knowledge of the LEC provider. During these times, Voice-Tel is unable to provide service to its customers. To make matters worse, the LEC frequently refuse to admit that the failures cause Voice-Tel down time or that the LEC is at fault. In many cases, the LEC requires Voice-Tel to go through thorough testing of its equipment before the LEC will even initiate an investigation on its side. At the very minimum it would seem that any carrier that wants to expand its service into the long distance markets should be able to provide local service to all customers, including its competitors without unacceptably high levels of unexplained outages.

#### 6. Interface with the LEC

In connection with the service problems, it is important to understand that to date most LECs have not assigned customer service representatives that deal with resellers and other providers of telecommunications services. Instead, most Voice-Tel franchisees deal with the same customer service representatives that are assigned to other small to medium size companies. However, unlike other small businesses, Voice-Tel franchisees require significant amounts of sophisticated telecommunications services to provide service to their customers. Under the best of conditions, the service representative frequently lacks the up-to-date information and access required to provide adequate service to the voice messaging customer. More often, the messaging

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<sup>1</sup> Residence White Pages, District of Columbia, p. 31. The White Pages for the DC suburbs contain similar "information" without any reference to the fact that this is a competitive service.

representative simply does not understand the nature of the problems that the voice competitor faces. In any event, the representative is less able to handle the voice messaging customer than he or she should be.

#### **7. Pricing of LEC Services**

Significant barriers to entry exist where the exclusive supplier of necessary services charges unjustifiably high prices to its would-be competitors. Voice-Tel consistently experiences this treatment from the LEC. As noted above, in order to do business, Voice-Tel must obtain trunks and DID numbers from the LEC. The prices charged Voice-Tel by the LEC appear to be unrelated to any costs incurred by the LEC. For example, in Pacific Telesis territory, paging companies pay for Direct Inward Dial (DID) numbers 41 cents per 100 numbers. In contrast, Voice-Tel is forced to pay \$45 per 100 numbers. This puts Voice-Tel at a serious disadvantage *vis-à-vis* its paging competition and its LEC competition.

#### **8. Refusal to Make Services Available at Reasonable Prices**

##### **a. "Stutter dial tone"**

LECs, including, for example, Pacific Bell provides "stutter dial tone" as a feature of its voice mail service. This enables the voice mail customer to listen to the dial tone that is delivered to his telephone to determine if there is a message waiting. The way the Pacific Bell prices this feature to competitors assures that its competition will provide this feature. Although Pacific Bell offers it to customers who pay less than \$10.00 per month for the entire voice mail service, the price for this feature to Pacific Bell's competitors is approximately \$2300 per month per Central Office switch to be able to provide even one subscriber this service. Based upon the enormous number of switches in San Diego, it would be impossible for Voice-Tel or any other company to do this.

**b. "Escape to Operator"**

Voice messaging companies have been asking for the LEC for this feature for years. Yet many LECs, including Pacific Bell had this capability for approximately two years before making it available to its competitors. To make matters worse, Pacific Bell has priced "unlimited escape to operator" for its customers at \$2 per month. This means that a caller could be transferred to another number in the same area code and talk for an unlimited amount of time for \$2 per month. This is economically impossible for any company other than Pacific Bell.

**B. Other Barriers**

**1. Difficulty Obtaining Financing**

A survey of Voice-Tel franchisees indicate that in virtually all cases banks are most reluctant to loan money to small business competitors of the LECS. Many bankers in small towns are almost incredulous when they learn that an enterprise has the audacity to think that it can compete with the telephone exchange company. In most cases, the first step is to explain that the monopoly that the LEC enjoys is not endorsed by governmental authorities. The second step is to convince the loan officer that the Voice-Tel product provides sufficient features not found elsewhere to give the Voice-Tel franchisee a fighting chance. These demonstrations sometimes lead the loan officer to offer some financial assistance but when such assistance is offered, it is normally under unfavorable terms and conditions. In virtually all cases personal guarantees are required.

## **2. Inability to Obtain Paging Licenses**

In several cases the LEC has indicated that the only way in which the voice messaging company can obtain competitive rates for the services provided by the LEC is if Voice-Tel owns its own paging license. As the Commission is aware, in many areas these licenses are not available. And where they are available, the Commission has been slow to issue them. Most importantly, additional paging spectrum is not normally required; the incumbent paging companies have been more than willing to permit Voice-Tel franchisees to resell paging services. The LECs, however, have been reluctant to recognize that the resale of paging services entitles resellers to the same rates as if they held the license themselves. In a rare support of their interpretation of Commission policy, many LECs simply refuse to assist in finding means whereby Voice-Tel receives the same treatment as its paging competitors.

## **3. Initial Capital Requirements**

In most cases an initial investment in excess of \$250,000 is required to establish a Voice-Tel franchise. Additional funding is frequently necessary, especially where the franchisee seeks to serve more than a single limited geographic area. Because the costs of obtaining necessary LEC facilities and services are very high, even the most successful operations seldom experience profits in excess of twelve percent before taxes. Many of the smaller operations show minimal profits or even losses. The extent of the difficulties in dealing with the LEC and the inability to obtain these necessary services from an alternative source give rise to the major barriers to entry.

## **4. Other Information Requested in Paragraph 26 of the NOI**

As can be discerned from the information provided above, Voice-Tel is frequently viewed as an "outsider" in the telecommunications business. As such, it experiences great difficulty in gaining acceptance as a significant player in the

telecommunications business. Although most franchisees have considerable experience as telecommunications consultants, both trade associations and large businesses tend to ignore them as possible vendors. In part this is because Voice-Tel has not been in a position to provide a single package including networking services and facilities as well as voice messaging services. However, in the case of Voice-Tel and similarly situated competitors the removal of legal barriers in the local exchange market will not suffice. Until the LECs are required to treat companies like Voice-Tel as telecommunications providers rather than as end users, Voice-Tel will continue to be barred from equitable access to the network. Under these conditions, Voice-Tel cannot provide the range of services its customers demand.

The problems of having to rely on one's competitor for service has deleterious effects in all aspects of Voice-Tel's businesses. Potential strategic partners recognize the difficult situation in which Voice-Tel finds itself and look elsewhere. Higher deposits are required, not only by the telephone company but by other vendors because Voice-Tel's business is frequently viewed as high risk precisely because it competes with the telephone company. Indeed, the general problems faced by small business pale in light of the special problems caused by competition with the LEC.

Finally, at the present time the FCC Common Carrier Bureau is not structured to provide the special support required by small telecommunications entities. All problems must go through its current complaint structure. In this regard, the formal complaint process sometimes appears too heavy handed and formal whereas the informal process is geared more toward the individual and the end user. As a result, few if any FCC employees have the special expertise in understanding the unique problems faced by small telecommunications entities. Although many of the specific problems are largely local in nature, they are endemic throughout the country. Therefore, a central

address for the resolution of these problems, a small sampling of which are outlined above, would help ensure a healthy competitive environment that will foster the development of the telecommunications age.

### **III. CONCLUSION**

The purposes of the Telecommunications Act of 1996 will be achieved only if the Commission continues to take those actions necessary to enforce its provisions. Towards this end, Voice-Tel urges the Commission to formulate policies and rules that will remove artificial barriers to entry in the telecommunications business. This is required if the goals of full and free competition the telecommunications industry are to be realized.

Respectfully submitted,



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August 23, 1996

An Attorney for Voice-Tel

## Optional Services

### Additional Directory Listing(s)

gives you extra ways to identify your business or the members of your household.

**Residence** \$1.50 per month and  
\$21.06 one time charge

### Answer Call\*

provides 24-hour automated telephone answering and message storage for calls that are forwarded from your line equipped with a Call Forwarding option. Answer Call works when your line is busy as well as when you do not answer and you can have different messages for each situation. It can also be used for reminder messages to yourself. Urgent messages can be forwarded to another number. To use Answer Call you need a touch tone equipped phone with \* and # buttons. There are two options--Multiple Answer Call for up to eight users per mailbox and Single Answer Call. Each option is available with either 30 or 45 minute storage.

#### Rate Information:

Call your business office

### Bell Atlantic® Guardian®

gives you diagnostic help, repair services and/or a loaned phone. Residential only. See page 8.

**Residence** \$2.00

### Bell Atlantic® IQ® Card

lets you call from virtually anywhere in the United States and have the call itemized and charged on your monthly Bell Atlantic bill. Calls are charged at the Calling Card rate of the company that carries the call. The Bell Atlantic IQ Card is accepted by all local and most long distance companies in the U. S. Phone In Bell Atlantic IQ Cards, which can be used for calls to designated numbers only, are also available. See page 31 for use instructions.

**No charge**

### Bell Atlantic® Optional Wire Maintenance Plan

for your home provides diagnostic and repair service on standard inside telephone wiring and jacks. Residential only. See page 8.

**Residence** \$1.25

### Call Block\*

gives you the ability to block calls from up to six phone numbers from which you do not wish to receive calls. When someone calls you from one of these numbers, your phone will not ring.

**Residence** \$4.00

With **Call Block**, a voice recording will provide the telephone number of the last caller, even if it is non-published or non-listed.

### Call Forwarding\*

lets you forward your incoming calls to any phone number that you can dial directly. If you forward your calls to a long distance number or if you have measured or message service, the forwarded calls will be included in your bill.

**Residence** \$4.40

### Call Trace\*

lets you trace the number of the last call you received and have it automatically reported to Bell Atlantic. You will be charged for each successful trace. You should use it only in the case of life-threatening, obscene or harassing calls.

**Residence and business** \$1.00 per use

### Call Waiting\*

lets you know that someone is trying to reach you when you are already using the phone. You will hear a tone that tells you that another call is coming in; the tone is repeated in about 10 seconds if you do not take the call right away.

**Residence** \$4.75

### Caller ID\*

lets you, within specifically equipped areas, see the phone number of the caller before you answer the phone. The number will appear on a display unit after the first ring. Caller ID requires an additional piece of equipment, the display unit, that you must buy separately.

**Residence** \$6.50

If you are in an equipped area and you call someone within your Bell Atlantic Regional Calling Area who has Caller ID, your number will be shown on their display unit even if you do not have the service and even if your number is non-published or non-listed. You can block the display of your number by using **Per Call or Per Line Number Blocking**--see Caller ID instructions on page 28.

### Caller ID Deluxe\*

lets you, within specifically equipped areas, see the name and telephone number of an incoming call before you answer the phone. The name and number will appear on a display unit after the first ring. Caller ID Deluxe requires an additional piece of equipment, the display unit, that you must buy separately.

**Residence** \$7.50

If you are in an equipped area and you call someone within your Bell Atlantic Regional Calling Area who has Caller ID Deluxe, your name and number will be shown on their display unit even if you do not have the service and even if your number is non-published or non-listed. You can block the display of your number by using **Per Call or Per Line Number Blocking**--see Caller ID Deluxe instructions on page 28.

### Home Intercom

turns your home phones into an intercom system.

**Residence** \$2.25

\* Service Mark of Bell Atlantic

\* See pages 31-35 to learn how to use these services.



## Optional Services

**Ident-a-Ring® service**

lets you have up to three different phone numbers on one phone line. Each number rings differently, and each can be listed separately in the Bell Atlantic directory.

**Residence** \$4.50

**Intercom Extra® service**

gives you four ways to improve your household communications with Intercom Code Dialing, Selective Call Transfer, Call Hold and Three-Way Calling.

**Residence** \$6.50

**Non-listed Phone Number**

allows your number to be available from Directory Assistance, but it is not printed in the Bell Atlantic White Pages.

**Residence** 43¢ per month and  
\$21.06 one time charge

**Non-published Phone Number**

prevents your number from being available through Directory Assistance or printed in the Bell Atlantic White Pages.

**Residence** 81¢ per month and  
\$21.06 one time charge

**Pager Notification**

alerts you, at your pager, to urgent messages in your Answer Call mailbox. You must subscribe to both Answer Call and Pager Notification and have a pager and subscription to a paging company.

**Rate Information:**  
Call our business office

**Preferred Telephone Number Service**

allows you to select the last four digits of your telephone number.

**Residence** \$1.46 per month and  
\$4.87 one time charge

**Priority Call\***

lets you choose up to six phone numbers to ring in a distinctive way. Any calls made to your number from these numbers will have that distinctive ring. If you have Call Waiting, Priority Call will provide a special Call Waiting tone when you are on the line.

**Residence** \$3.00

With Priority Call, a voice recording will provide the telephone number of the last caller, even if it is **non-published** or **non-listed**.

**Remote Call Forwarding**

provides your business with a local telephone number in a city outside your company's toll-free calling area. When your customers dial a local number, their calls are automatically forwarded to your designated telephone number.

**Rate Information:**

Call our business office

**Repeat Call\***

redials a busy number for you, and will keep dialing that busy number for up to 30 minutes. You will hear a special ring to let you know when the called number is available. You can use your phone to make or receive other calls while you wait. If you use this service on a **per-use basis**, you will be charged even if the called party's line is busy or does not answer.

**Residence** \$2.00  
or 75¢ per use

**Return Call\***

lets you call back the last number that called you, whether you answered the telephone or not. If the number is busy or does not answer, Return Call will keep dialing for up to 30 minutes. You can use your phone to make or receive other calls while you wait. If you use this service on a **per-use basis**, you will be charged even if the called party's line is busy or does not answer.

**Residence** \$4.00  
or 75¢ per use

**Select Forward\***

lets you transfer calls from up to six pre-selected phone numbers to another location. If you forward your calls to a long distance number or if you have measured or message service, the forwarded calls will be included in your bill as usage charges as applicable in your service plan.

**Residence** \$4.00

With **Select Forward**, a voice recording will provide the telephone number of the last caller, even if it is **non-published** or **non-listed**.

**Speed Calling\***

lets you program your phone line so that you can dial frequently called local or long distance numbers by dialing only one or two digits. The service is available in 8-number or 30-number memory.

**8 Code**

**Residence** \$1.50

**30 Code**

**Residence** \$3.83

— Service Mark of the Bell Atlantic Corporation

\* See page 31-35 to learn how to use these services